

City of Houston, Texas, Ordinance No. 2003-1330

**AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CITY OF HOUSTON GENERALLY BOUNDED BY EAST LITTLE YORK ON THE NORTH, WAYSIDE ON THE EAST, LANGLEY ON THE SOUTH AND HOMESTEAD ON THE WEST (LELAND WOODS AREA) AS A REINVESTMENT ZONE FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; MAKING FINDINGS AND CONTAINING OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS**, pursuant to Chapter 311 of the Texas Tax Code, the City may designate a contiguous geographic area within the City as a reinvestment zone if the area satisfies the requirements of certain sections of Chapter 311 of the Texas Tax Code; and

**WHEREAS**, the City has prepared a preliminary reinvestment zone financing plan for the creation of a proposed reinvestment zone within a contiguous area of the City known as the Leland Woods area (the "proposed zone"), which provides that City of Houston ad valorem taxes are to be deposited into the tax increment fund, and that taxes of other taxing units may be utilized in the financing of the proposed zone; and

**WHEREAS**, the City, prior to December 17, 2003, provided written notice of the City's intention to create the proposed zone, complying with the requirements of Section 311.003, Texas Tax Code, to the governing body of all taxing units levying taxes on property within the proposed zone; and

**WHEREAS**, a notice of the December 17, 2003, public hearing on the creation of the proposed zone was published on December 9, 2003, in the Houston Chronicle, a newspaper of general circulation in the City; and

**WHEREAS**, the notice and contents of the subject matter of Resolution No.

2003-34 that established the date for the public hearing on the creation of the Zone was posted in accordance with the Open Meetings Law, Tex. Gov't Code Ann., ch. 551 (Vernon Supp. 2003); and

**WHEREAS**, Harris County, pursuant to Section 311.003, Texas Tax Code, has waived the requirement that it receive notice of the City's intention to create the proposed zone sixty (60) days before the public hearing on the creation of the proposed zone; and

**WHEREAS**, the North Forest Independent School District, pursuant to Section 311.003, Texas Tax Code, has waived the requirement that it receive notice of the City's intention to create the proposed zone sixty (60) days before public hearing on the creation of the proposed zone; and

**WHEREAS**, at the public hearing on December 17, 2003, interested persons were allowed to speak for or against the creation of the proposed zone, its boundaries, or the concept of tax increment financing; and

**WHEREAS**, evidence was received and presented at the public hearing in favor of and opposed to the creation of the proposed zone and its proposed boundaries under the provisions of Chapter 311, Texas Tax Code; and

**WHEREAS**, no owner of real property in the proposed zone protested the inclusion of his property in the proposed zone; and

**WHEREAS**, the City has provided all information, and made all presentations, given all notices and done all other things required by Chapter 311, Texas Tax Code, or other law as a condition to the creation of the proposed zone; and

**WHEREAS**, the total appraised value of taxable real property in the proposed

zone and all other reinvestment zones previously created by the City is approximately \$8,719,479,126; and

**WHEREAS**, the total appraised value of taxable real property in the City and in the industrial districts created by the City is approximately \$108,368,837,580; and

**WHEREAS**, the total appraised value of real property taxable by Harris County, in which the proposed zone is located, is approximately \$151,838,250,000; and

**WHEREAS**, the total appraised value of real property taxable by the North Forest Independent School District, within whose boundaries the proposed zone is located, is approximately \$718,593,390; and

**WHEREAS**, the total area within the proposed zone is approximately 80 acres, excluding property that is publicly owned; and

**WHEREAS**, none of the property in the proposed zone is currently used for residential purposes, as that term is defined in Section 311.006(d) of the Texas Tax Code; **NOW, THEREFORE;**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:**

**Section 1. Findings:**

(a) That the findings and recitals contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.

(b) That the City Council further finds and declares that the proposed improvements in the zone will significantly enhance the value of all the taxable real property in the proposed zone and will be of general benefit to the City.

(c) That the City Council further finds and declares that the proposed zone

meets the criteria and requirements of Section 311.005 of the Texas Tax Code because the area is predominantly open and, because of obsolete platting, deteriorating site improvements and other factors, including the lack of public water distribution, wastewater collection and storm drainage facilities, substantially impairs or arrests the sound growth of the City.

(d) That the City Council, pursuant to the requirements of Chapter 311, Texas Tax Code, further finds and declares:

- (1) That the proposed zone is a contiguous geographic area located wholly within the corporate limits of the City of Houston;
- (2) That less than ten percent of the property in the proposed zone is used for residential purposes within the meaning of Section 311.006(d), Texas Tax Code;
- (3) That the total appraised value of taxable real property in the proposed zone, and in the City's existing reinvestment zones, does not exceed fifteen percent of the total appraised value of taxable real property in the City and the industrial districts created by the City;
- (4) That the proposed zone does not contain more than fifteen percent of the total appraised value of real property taxable by Harris County or the North Forest Independent School District; and
- (5) That development or redevelopment of the property within the boundaries of the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

## **Section 2. Exception to Guidelines**

That the City hereby excepts the proposed zone from compliance with any City tax increment reinvestment zone guidelines established by the City pursuant to Resolution No. 90-203 that are applicable to the proposed zone and that the zone does not satisfy. Section 1 of Resolution No. 90-203 specifically authorizes the City Council to grant exceptions on a zone-by-zone basis.

## **Section 3. Designation of the Zone**

That the City, acting under the provisions of Chapter 311, Texas Tax Code, including Section 311.005(a), does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over, the area described in Exhibit "A" and depicted in the map attached hereto as Exhibit "B" to promote the redevelopment of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number Twenty-Two, City of Houston, Texas (the "Zone").

## **Section 4. Board of Directors**

That there is hereby created a Board of Directors for the Zone, which shall consist of seven (7) members. Positions One through Five on the Board of Directors shall be reserved for the City. Positions Six and Seven shall be reserved for other taxing units levying taxes within the Zone, each of whom may appoint one director. Any taxing unit that appoints a director shall be assigned a Board position number in the order the appointment is received by the City. Failure of a taxing unit to appoint a director by January 1, 2005, shall be deemed a waiver of the right to appoint a director, and the City shall be entitled to appoint persons to the position, which shall be filled as provided below. If more than two taxing units levying taxes within the Zone appoint a

director, the number of directors on the Board of Directors shall be increased by one for each taxing unit above two that appoints a director to the board, provided, if more than four taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by two for each taxing unit above four that appoints a director to the board, provided, further, that the maximum number of directors shall not exceed fifteen (15). The City shall be entitled to appoint a person to one position of each of the two positions created as a result of more than four taxing units appointing directors, which position shall be filled as provided below.

The Mayor is hereby authorized to nominate and appoint the directors to Positions One through Five of the Board of Directors, any position unfilled on January 1, 2005, and any City position created by the appointment of a director by more than two taxing units levying taxes within the Zone, subject to the consent and approval of the City Council.

The directors appointed to odd-numbered positions shall be appointed for a two year term, beginning January 1, 2004, while the directors appointed to even-numbered positions shall be appointed to a one year term, beginning January 1, 2004. All subsequent appointments shall be for two-year terms. The Mayor shall annually nominate and appoint, subject to City Council approval, a member to serve as chair for a term of one year beginning January 1 of the following year. The City Council authorizes the Board of Directors to elect from its members a vice chairman and such other officers as the Board of Directors sees fit.

The Board of Directors shall make recommendations to the City Council concerning the administration of the Zone. The Board of Directors shall prepare or

cause to be prepared and adopted a project plan and a reinvestment zone financing plan for the Zone as described in Section 311.011, Texas Tax Code, and shall submit such plans to the City Council for its approval. The City, pursuant to Section 311.010(a) of the Texas Tax Code, hereby authorizes the Board of Directors to exercise all of the City's powers necessary to administer, manage or operate the Zone and to prepare the project plan and reinvestment zone financing plan, including the power to employ consultants, legal counsel and financial advisors, or enter into any reimbursement agreements with consultants, legal counsel and financial advisors payable solely from the Tax Increment Fund established pursuant to Section 7 of this Ordinance that may be reasonably necessary or convenient to assist the Board of Directors in the administration, management or operation of the Zone and the preparation of the project plan and reinvestment zone financing plan or to implement the project plan and reinvestment zone financing plan. All such consultant contracts shall be subject to the approval of the Director of Planning and Development, who shall approve such contracts if they conform to the terms and conditions of City contracts of substantially the same or similar scope for similar services, and shall provide that (i) the Zone will not pay any consultant for services that are determined to be an ineligible project cost under the Act and (ii) the consultant shall repay the Zone for any payment made by the Zone to the consultant that is determined to be an ineligible project cost.

Notwithstanding the foregoing, the Board of Directors shall not be authorized to issue bonds, impose taxes or fees, exercise the power of eminent domain or give final approval to the project plan and reinvestment zone financing plan. The Board of Directors of the Zone may not exercise any power granted to the City by Section

311.008 of the Texas Tax Code without additional authorization from the City.

**Section 5. Duration of the Zone**

That the Zone shall take effect immediately upon the passage and approval of this Ordinance, and termination of the operation of the Zone shall occur on December 31, 2033, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and the interest thereon, have been paid in full, in accordance with Section 311.017 of the Texas Tax Code.

**Section 6. Tax Increment Base**

That the Tax Increment Base of the City or any other taxing unit participating in the Zone for the Zone is the total appraised value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone, determined as of January 1 of the year in which the Zone is designated as a reinvestment zone (the "Tax Increment Base").

**Section 7. Tax Increment Fund**

That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into subaccounts as authorized by subsequent ordinances. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccount shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. The annual Tax Increment shall equal the property taxes levied and collected by the City and any other taxing unit participating in the Zone for that year on the captured appraised value, as defined in Section 311.012 of the Texas Tax Code, of real property



located in the Zone that is taxable by the City or any other taxing unit participating in the Zone, less any amounts that are to be allocated from the Tax Increment pursuant to Chapter 311 of the Texas Tax Code. All revenues from the sale of any tax increment bonds, notes or other obligations hereafter issued for the benefit of the Zone by the City, if any; revenues from the sale of property acquired as part of the project plan and reinvestment zone financing plan, if any; and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund. Prior to the termination of the Zone, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Texas Tax Code, for the Zone, to satisfy the claims of holders of tax increments bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan and achieve their purpose pursuant to Section 311.010(b) of the Texas Tax Code.

#### **Section 8. Severability**

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or regulations connected herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this Ordinance are declared severable for that purpose.


### **Section 9. Open Meetings**

It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Texas Government Code, ch. 551, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof have been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

### **Section 10. Emergency**

There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days of its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

**PASSED AND ADOPTED** this 23<sup>rd</sup> day of December, 2003  
**APPROVED** this 23<sup>rd</sup> day of December, 2003

  
\_\_\_\_\_  
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is \_\_\_\_\_.

\_\_\_\_\_  
City Secretary

(Prepared by Legal Dept. Charles Stockton Ford) *ST*  
(CSL/csl12/18/03 Assistant City Attorney)  
(Requested by Robert Litke, Director, Planning and Development Department)  
L.D. No. 0610300217001  
U:\TIRZ'S\Leland Woods\Creation Ordinance-2.wpd

AYE	NO	2003-1330
✓		MAYOR BROWN
....	....	COUNCIL MEMBERS
✓		TATRO
✓		GALLOWAY
✓		GOLDBERG
✓		EDWARDS
✓		WISEMAN
✓		ELLIS
✓		KELLER
✓		VASQUEZ
✓		ALVARADO
✓		PARKER
✓		QUAN
✓		SEKULA-GIBBS
✓		BERRY
	ABSENT-ON PERSONAL BUSINESS	ROBINSON
CAPTION	ADOPTED	

STATE OF TEXAS  
COUNTY OF HARRIS

SAMUEL KELLY SURVEY, A-495  
ELI NOLAND SURVEY, A-600

### Description

Description of an 80.42 acre tract of land located in the Samuel Kelly Survey, Abstract No. 495 and the Eli Noland Survey, Abstract No. 600, Harris County, Texas and being more particularly described by Metes and Bounds as follows (with bearings referenced to the Texas State Plane Coordinate System, South Central Zone, based on the City of Houston Survey Markers 5562 – 1002 and 5562 - 1104):

BEGINNING at a 5/8-inch iron rod found in the southerly right-of-way line of East Little York Road (based on a width of 120 feet) and marking the northwesterly corner of the herein described tract of land;

THENCE, N 87° 02' 08" E, along the southerly right-of-way line of East Little York Road, a distance of 2,861.26 feet to a 3/4-inch iron pipe found for the northeasterly corner of the herein described tract;

THENCE, S 02° 24' 33" E, a distance of 1,068.57 feet to a 5/8-inch iron rod found for the northeasterly corner of Block 25 of Scenic Woods, a subdivision as per plat recorded in Volume 46, Page 9 of the Harris County Map Records;

THENCE, S 87° 35' 03" W, along the north line of said Scenic Woods subdivision, a distance of 1,480.97 feet to a 5/8-inch iron rod found for corner;

THENCE, S 87° 34' 02" W, continuing along the north line of said Scenic Woods subdivision, a distance of 129.49 feet to a one inch pinched top pipe found for corner;

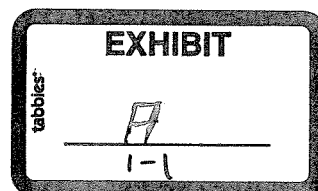
THENCE, S 01° 59' 40" E, a distance of 391.60 feet to a capped 5/8-inch iron rod stamped "JNS Engineers" set marking the northeasterly corner of Lot 2, Block 26 of said Scenic Woods subdivision;

THENCE, S 88° 02' 21" W, continuing along the northerly line of Scenic Woods subdivision, a distance of 1,257.97 feet to a capped 5/8-inch iron rod stamped "JNS Engineers" set marking the southwesterly corner of the herein described tract;

THENCE, N 01° 26' 08" W, a distance of 724.38 feet to a 5/8-inch iron rod found for corner;

THENCE, N 02° 35' 24" W, a distance of 698.55 feet to the POINT OF BEGINNING and containing 80.42 acres of land.

DATE: March 27, 2002  
JOB NO.: 276-04  
JNS Consulting Engineers, Inc.  
17171 Park Row, Suite 160  
Houston, Texas 77084  
(713) 973-9139



LITTLE YORK ROAD  
(120' R.O.W.)

N87°02'08"E-2881.26'

POINT OF BEGINNING

N02°35'24"W-698.55'

N01°26'08"W-724.38'

VACANT LAND

TEXAS PIPE LINE COMPANY FEE STRIP  
V 2471, P 345 & V 2508, P 283 D.R.

VACANT LAND

S02°24'33"E-1088.57'

S01°59'40"E-391.60'

S87°34'02"W  
129.45'

S87°35'03"W-1480.97'

FEROL ST.

INA ST.

S88°02'21"W-1257.97'

LANGLEY RD.

CHEVY'S DR.

LANGLEY RD.

LENA ST.

NAVASOTA ST.

SCENIC WOODS SUBDIVISION

TANWORTH ST.

84' H. & P.  
CO. FEE STRIP

EXHIBIT

B  
1-1

Tables

LITTLE YORK WOODS TRIZ BOUNDARY

MAP AND LAND USE

80.42 ACRES OUT OF THE S. KELLY  
SURVEY, A-495 & E. NOLAND SURVEY A-600,  
CITY OF HOUSTON, HARRIS COUNTY, TEXAS

APRIL, 2002 SCALE: N.T.S.

JNS JOB No. 278-04

JNS  
INC.

JNS CONSULTING ENGINEERS, INC.  
10700 PARK BOULEVARD, SUITE 100  
HOUSTON, TEXAS 77036  
TELEPHONE (713) 875-1000 FAX (713) 875-1005